

Message Text

LIMITED OFFICIAL USE

PAGE 01 PEKING 01272 01 OF 03 051123Z
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 OMB-01 STR-07
CIAE-00 INR-10 NSAE-00 SP-02 FTC-01 /042 W
-----025333 060120Z /61
R 050850Z MAY 78
FM USLO PEKING
TO SECSTATE WASHDC 0639
INFO AMCONSUL HONG KONG

LIMITED OFFICIAL USE SECTION 1 OF 3 PEKING 1272

E.O. 11652: N/A
TAGS: ETRD CH US
SUBJ: NCUSCT LIGHT INDUSTRIAL HANDICRAFTS DELEGATION: CONCLUSIONS

REF: PEKING 964

1. SUMMARY. THE NATIONAL COUNCIL FOR US-CHINA TRADE'S LIGHT INDUSTRIAL HANDICRAFTS DELEGATION WAS IN CHINA FROM APRIL 2 TO APRIL 14, VISITING PEKING, SHANGHAI, AND CANTON (THE PEKING PORTION OF THE TRIP WAS REPORTED IN REFTEL). THE DELEGATION MEMBERS HAD A GOOD OPPORTUNITY TO AIR THEIR INDIVIDUAL PROBLEMS AND MAKE SUGGESTIONS FOR EXPANDING THE TRADE. HOWEVER, THE CHINESE WERE GENERALLY NONCOMMITTAL IN THEIR RESPONSES AND LITTLE CONCRETE WAS ACHIEVED AS A RESULT OF THE VISIT. THE CHINESE APPEAR INTERESTED IN PRINCIPLE IN INCREASING SALES TO THE US, BUT SO FAR DO NOT HAVE ADEQUATE SUPPLIES AND ARE NOT WELL ENOUGH ORGANIZED TO REALLY PENETRATE OUR MARKET. THE MAIN PROBLEMS ARE LACK OF SUPPLY CONTINUITY, INADEQUATE STYLING, AND HIGH TARIFFS. AT LEAST SOME PROGRESS HAS BEEN MADE IN THE AREAS OF PACKING, LABELING, COMMUNICATIONS, AND COMPLIANCE WITH USG REGULATIONS. INDIVIDUAL DELEGATION MEMBERS DISCUSSED PROSPECTS AND PROBLEMS WITH THEIR FTC COUNTERPARTS IN THE FOLLOWING LINES: CARPETS, STRAW, WILLOW AND RATTAN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PEKING 01272 01 OF 03 051123Z

WARE, DINNERWARE, SHOES, TOYS, AND PERSONAL ACCESSORIES. END SUMMARY

2. NCUSCT LIGHT INDUSTRIAL HANDICRAFTS DELEGATION VISITED SHANGHAI ON APRIL 10-13. IN SHANGHAI, THEY WERE HOSTED BY THE LOCAL BRANCH OF THE CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE (CCPIT). THEY HELD A

SEMINAR ON APRIL 11 FOR REPS OF THE LIGHT INDUSTRY, ARTS AND CRAFTS, NATIVE PRODUCE AND ANIMAL BY-PRODUCTS, TEXTILES, AND EXPORT COMMODITIES PACKAGING CORPORATIONS. INDIVIDUAL DELEGATION MEMBERS MET PRIVATELY TO DISCUSS PRODUCT LINES OF INTEREST WITH SPECIALISTS IN THE VARIOUS FOREIGN TRADE CORPORATIONS, AND ALSO VISITED FACTORIES. THE WELCOMING BANQUET ON APRIL 10 WAS HOSTED BY CCPIT BRANCH VICE PRESIDENT HUA CHIN-PAO; THE DELEGATION MEMBERS GAVE A RETURN BANQUET ON APRIL 12 FOR THE CONTACTS THEY HAD MADE.

3. IN CANTON, THE DELEGATION WAS AGIN HOSTED BY THE LOCAL CCPIT BRANCH. THE ABBREVIATED PROGRAM INCLUDED A BANQUET HOSTED BY CCPIT BRANCH VICE PRESIDENT YANG KUANG-HUI, A TABLE FOR THE DELEGATION AT THE TRADITIONAL CANTON FAIR OPENING BANQUET, AND A SPECIAL BRIEFING ON THE FAIR EXHIBITS. THE DELEGATION DISBANDED IN CANTON ON APRIL 14 SO THAT THE MEMBERS COULD PURSUE THEIR INDIVIDUAL BUSINESS INTERESTS AT THE FAIR.

4. RESULTS OF THE TRIP. IN GENERAL, THE CHINESE OFFICIALS EXPRESSED INTEREST IN INCREASING THEIR EXPORTS TO THE US. THE SESSIONS IN PEKING AND SHANGHAI PROVIDED A GOOD OPPORTUNITY FOR THE DELEGATIONMEMBERS TO DISCUSS THEIR PROBLEMS AS WELL AS THEIR SUGGESTIONS FOR PROMOTING TRADE. THE CHINESE APPEARED RECEPTIVE TO WHAT WAS SAID, AND IN MANY OF THE SESSIONS TOOK CAREFUL NOTES. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PEKING 01272 01 OF 03 051123Z

HOWEVER, THE CHINESE WERE NONCOMMITAL ON WHAT CONCRETE STEPS, IF ANY, THEY WERE PLANNING TO ALLEVIATE PROBLEMS AND PROMOTE TRADE. IN FACT, A CCPIT OFFICIAL IN PEKING, WANG KE-CHUNG (DEPUTY DIRECTOR OF THE LIAISON DEPARTMENT), TOLD ONE OF THE DELEGATION CO-LEADERS PRIVATELY THAT THERE WAS A LARGE GAP BETWEEN THEORY AND PRACTICE; WHILE THEY (THE CHINESE) HOPED TO EXPAND TRADE, THE DELEGATION SHOULD NOT EXPECT IMMEDIATE RESULTS.

5. IN OUR VIEW, AS LONG AS THE CHINESE ARE FACED WITH CHRONIC SUPPLYPROBLEMS AND CAN DISPOSE OF AVAILABLE PRODUCTS RATHER EASILY, THERE WILL BE LITTLE MOTIVATION ON THEIR SIDE TO TAKE THE MEASURES NECESSARY TO REALLY PENETRATE THE US MARKET. THE ATTITUDE AND COMPETENCE OF THE VARIOUS FTC PERSONNEL APPEARED TO VARY CONSIDERABLY, AND PROGRESS IN INCREASING CHINA'S OVERALL EXPORTS WILL PROBABLY DEPEND ON STRENUOUS EFFORTS BY A FEW OF THE MORE HIGHLY MOTIVATED AND ENERGETIC OFFICIALS. THERE ARE ALSO A NUMBER OF CHINESE BUREAU-CRATIC PROBLEMS WHICH MUST BE OVERCOME, SOME OF WHICH WERE MANIFESTED TOWARD HIS DELEGATION. FOR EXAMPLE, SOME OF THE ARRANGEMENTS SEEMED TO BE RATHER

HASTILY DRAWN UP, NO DOUBT DUE TO OVER-EXTENSION OF CCPIT RESOURCES. (THE CCPIT LIAISON DEPARTMENT HOSTED 20 DELEGATIONS FROM ABROAD IN APRIL ALONE.) THERE APPEAR TO BE SERIOUS COMMUNICATION DIFFICULTIES BETWEEN FTC BRANCHES AND THE PRODUCING FACTORIES, BETWEEN THE FTC'S, AND EVEN BETWEEN FTC HEAD OFFICE AND THEIR OWN BRANCHES. FOR EXAMPLE, WHEN THE DELEGATION ARRIVED IN SHANGHAI, IT WAS CLEAR THAT THE LOCAL OFFICIALS HAD ONLY A SKETCHY IDEA OF WHY THE GROUP WAS IN CHINA, AND THE VARIOUS PROGRAM REQUESTS MADE IN PEKING HAD NOT BEEN FULLY TRANSMITTED TO SHANGHAI. IN OUR VIEW, THESE ORGANIZATIONAL PROBLEMS MUST BE ALLEVIATED BEFORE A MAJOR EXPANSION IN CHINESE EXPORTS CAN OCCUR.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 PEKING 01272 01 OF 03 051123Z

6. THE FACT THAT THE DELEGATION CAME WAS PERHAPS MORE SIGNIFICANT TO THE CHINESE THAN ANY CONCRETE RESULTS ACHIEVED BY THE VISIT. WANG KE-CHUNG STATED IN PEKING, FOR EXAMPLE, THAT THIS DELEGATION WAS UNIQUE; OTHER COUNTRIES JUST "EXCHANGE VIEWS

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PEKING 01272 02 OF 03 051144Z
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 OMB-01 STR-07

CIAE-00 INR-10 NSAE-00 SP-02 FTC-01 /042 W

-----025463 060121Z /61

R 050850Z MAY 78

FM USLO PEKING

TO SECSTATE WASHDC 0640

INFO AMCONSUL HONG KONG

LIMITED OFFICIAL USE SECTION 2 OF 3 PEKING 1272

WHILE CONDUCTING BUSINESS." WANG COMPLIMENTED THE GROUP ON THEIR GOOD PREPARATION (EACH MEMBER HAD PREPARED A DETAILED REPORT) AND THANKED THE NCUSCT FOR ORGANIZING THE DELEGATION. THE DELEGATION'S VISIT AND THE REPORTS

SHOULD ASSIST THE CHINESE IN THEIR LONG-TERM EXPORT PLANNING TO THE US, AND HOPEFULLY RESULT IN SOME FUTURE TRADE FOR THE DELEGATION MEMBERS AS WELL.

7. IN PEKING 967, WE REPORTED A NUMBER OF SCHEMES TO PROMOTE EXPORTS WHICH THE PRC MINISTRY OF FOREIGN TRADE REPORTEDLY HAS UNDER STUDY, I.E., IMPORTING RAW MATERIALS FOR FURTHER PROCESSING AND RE-EXPORT, IMPORTING COMPONENTS FOR ASSEMBLY AND RE-EXPORT, AND IMPORTING WHOLE PLANTS FROM ABROAD AND PAYING FOR THEM WITH EXPORTED PRODUCTION. DURING THE LIGHT INDUSTRIAL DELEGATION'S VISIT, ONLY THE FIRST OF THESE IDEAS WAS MENTIONED, AND THAT IN A FAIRLY SUPERFICIAL WAY. SOME FTC'S ARE APPARENTLY WILLING TO CONSIDER PERMITTING US IMPORTERS TO SUPPLY RAW MATERIALS, DESIGNS, MOLDS, AND POSSIBLY EQUIPMENT. WE BELIEVE THAT THESE SCHEMES ARE STILL IN QUITE A PRELIMINARY PLANNING STAGE. HOWEVER, INDIVIDUAL FTC'S MAY BE RECEPTIVE TO SPECIFIC PROPOSALS BY US IMPORTERS, AND WE WOULD ENCOURAGE US BUSINESSMEN TO PUT FORWARD ANY IDEAS THEY HAVE. SUCH PROPOSALS, IF ACCEPTED BY THE CHINESE, WOULD IDEALLY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PEKING 01272 02 OF 03 051144Z

FOSTER CLOSER COOPERATION BETWEEN THE PRODUCING FACTORIES AND THE IMPORTER (THEREBY ENABLING THE CHINESE TO GET IN CLOSER TOUCH WITH THE NEEDS OF THE US MARKET) AND WOULD ALLEVIATE PROBLEMS THE CHINESE SOMETIMES FACE IN OBTAINING RAW MATERIALS.

8. FOLLOWING IS SUMMARY OF THE STATE OF PLAY OF VARIOUS SPECIFIC PROBLEMS DISCUSSED BY DELEGATION: A) SHIPPING. CARGOES BOUND FOR THE US ORIGINATING IN SHANGHAI AND PORTS TO THE NORTH ARE ROUTINELY SENT BY SMALL, SCHEDULED, VESSELS TO KOBE AND TRANSSHIPPED. SHIPMENTS ORIGINATING IN SOUTH CHINA ARE TRANSSHIPPED THROUGH HONG KONG. GENERALLY SHIPMENTS THROUGH HONG KONG HAVE BEEN SATISFACTORY, BUT THOSE THROUGH KOBE HAVE BEEN SUBJECTED TO FREQUENT EXTENDED DELAYS IN JAPAN, SOME OF WHICH THE US IMPORTERS SUSPECT ARE DELIBERATE. OFFICIALS OF THE CHINA NATIONAL FOREIGN TRANSPORTATION CORPORATION IN PEKING APPEARED TO BE UNAWARE OF THIS PROBLEM AND ASKED FOR COMPLETE DETAILS ON SPECIFIC SHIPMENTS THAT HAD BEEN DELAYED SO THAT THEY COULD CONSIDER REMEDIAL ACTION. THE OFFICIALS ALSO STATED THAT IT WAS NOT FEASIBLE TO ROUTE ALL SHIPMENTS BOUND FOR THE US THROUGH HONG KONG. B) PACKING. MANY OF THE CHINESE PRODUCTS EXPORTED TO THE US HAVE BEEN INADEQUATELY PACKED, RESULTING IN BREAKAGE OR OTHER DAMAGE. DELEGATION MEMBERS HIT THIS SUBJECT HARD, AND SOME IMPROVEMENT MAY BE POSSIBLE. C) PACKAGING. MANY CHINESE PRODUCTS ARE NOT PACKAGED SUITABLY FOR THE US MARKET. FOR EXAMPLE, IN MOST

CASES THE LOGOS AND PACKAGE DESIGNS ARE TOO OLD-FASHIONED.
ONE OF THE DELEGATION MEMBERS MADE AN AUDIO-VISUAL
PRESENTATION WHICH WAS WELL RECEIVED IN PEKING AND
SHANGHAI, BUT IT IS UNCLEAR WHETHER THE CHINESE WILL
HAVE ENOUGH FLEXIBILITY TO MAKE ADJUSTMENTS. D) LATE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PEKING 01272 02 OF 03 051144Z

DELIVERY. LACK OF SUPPLY CONTINUITY IS PERHAPS THE
MOST SERIOUS PROBLEM FACING US IMPORTERS. LATE
DELIVERY IS COSTLY IN TERMS OF INTEREST (IF THE L/C
HAS BEEN OPENED) AND MISSED SALES OPPORTUNITIES IF
THE PRODUCT IS SEASONAL. THE CHINESE TENDED TO BLAME
THE FAILURE TO MEET DELIVERY SCHEDULES ON
PRODUCTION PROBLEMS CAUSED BY THE "GANG OF FOUR". WHETHER
THEIR PERFORMANCE WILL NOW IMPROVE IS UNCLEAR. E) CLAIMS
SETTLEMENT PROCEDURES. NO PROGRESS IN THIS AREA.
F) COMMUNICATIONS. LATELY, THE CHINESE HAVE SHOWN
SOME IMPROVEMENT IN RESPONDING TO INQUIRIES, AND THE
DELEGATION MEMBERS ENCOURAGED FURTHER EFFORTS; E.G.,
PROMPT NOTIFICATION WHEN SHIPMENTS WILL BE DELAYED.
G) COMPLIANCE WITH USG REGULATIONS. THE RECORD HAS
BEEN SPOTTY, BUT GENERALLY DISCOURAGING. AN EXCEPTION
IS FIEWORKS, WHERE LABELING PROBLEMS HAVE APPARENTLY
BEEN OVERCOME. SOME PROGRESS HAS BEEN MADE IN REGISTERING
LOW ACID FOODS WITH THE FDA, AFTER STRENUOUS EFFORTS
BY THE NCUSCT. H) LABELING. SOME PROGRESS HAS BEEN
MADE, ESPECIALLY IN TEXTILES, BUT THE CHINESE STILL
FREQUENTLY MAKE MISTAKES WHICH PROVE COSTLY TO THE US
IMPORTER; E.G., FAILING TO PUT ON COUNTRY-OF-ORIGIN
LABELS. MANY FTC'S APPARENTLY WILL NOW AGREE TO USE
PROPRIETARY BRAND LABELS, AND PROGRESS CAN BE ACHIEVED
BY CLOSE COOPERATION BETWEEN THE IMPORTER AND THE
INDIVIDUAL FTC BRANCH. I) STYLING. LITTLE PROGRESS HAS
BEEN MADE HERE EXCEPT IN GARMENTS AND TEXTILES. FOR
PRODUCTS WHICH WERE SATISFACTORILY IN EUROPE OR LDC'S,
THE CHINESE DO NOT SEE THE NEED TO MAKE CHANGES. FOR
OTHER PRODUCTS, THE CHINESE SEEM TO PREFER A SELF-
INITIATED PROCESS OF COPYING AND ASSIMILATION, RATHER
THAN WORKING CLOSELY WITH THE IMPORTERS' DESIGNERS,
AS IS THE CASE WITH OTHER ASIAN LDC'S SELLING TO THE US.
J) NEED FOR MARKET RESEARCH. AN EXCELLENT PRESENTATION
IN PEKING AND SHANGHAI BY ONE OF THE DELEGATION MEMBERS
APPEARED TO FALL ON DEAF EARS. K) TARIFFS. LACK OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 PEKING 01272 02 OF 03 051144Z

MFN TREATMENT WAS RAISED FREQUENTLY BY THE

CHINESE, ALWAYS IN THE CONTEXT THAT "THIS IS AN INTERNAL PROBLEM TO BE RESOLVED BY THE US SIDE."

9. THE DELEGATION INCLUDED EXPERIENCED IMPORTERS IN VARIOUS FIELDS, INCLUDING EXPERTS ON SOME PRODUCTS NOT BEING IMPORTED IN LARGE QUANTITIES INTO THE US. FOLLOWING PARAGRAPHS BRIEFLY SUMMARIZE TALKS HELD ON THE VARIOUS PRODUCTS.

10. BAMBOO, RATTAN AND WILLOW WARE. CHINESE MERCHANDISE IS OF A VERY HIGH QUALITY. PRIMARY PROBLEMS IN THE TRADE RELATE TO FAILURE TO MEET DELIVERY SCHEDULES, INFLEXIBLE

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PEKING 01272 03 OF 03 060110Z
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 OMB-01 STR-07
CIAE-00 INR-10 NSAE-00 SP-02 FTC-01 /042 W
-----031179 060122Z /61
R 050850Z MAY 78
FM USLO PEKING
TO SECSTATE WASHDC 0641
INFO AMCONSUL HONG KONG

LIMITED OFFICIAL USE SECTION 3 OF 3 PEKING 1272

STYLING, LACK OF ADEQUATE SUPPLY, AND POOR PACKING. ALTHOUGH BASKETS AND SIMILAR ITEMS HAVE CONSTITUTED AN IMPORTANT SEGMENT OF US IMPORTS FROM CHINA IN THE PAST, THE CHINESE FACE STIFF COMPETITION IN THE AMERICAN MARKET FROM OTHER LDC SUPPLIERS. DUE TO THE QUALITY AND GENERALLY COMPETITIVE PRICING OF THE CHINESE PRODUCTS, THE PROSPECTS FOR INCREASED SALES ARE GOOD IF THE ABOVE-MENTIONED PROBLEMS CAN BE RESOLVED.

11. CARPETS. QUALITY IS EXCELLENT, BUT CHINESE PRICES ARE HIGH, PARTICULARLY BECAUSE OF THE STRONG EUROPEAN AND JAPANESE DEMAND. DUE TO THE HIGH PRICES, THE MARKET IN THE US IS LIMITED AND THE BUYERS GENERALLY DISCRIMINATING. MOST OF THE US PURCHASES FROM CHINA ARE NOW HANDLED BY A RELATIVELY SMALL NUMBER OF SPECIALISTS. THE CHINESE HAVE ENGAGED IN A NUMBER OF MARKETING PRACTICES WHICH HAVE ANGERED US BUYERS, INCLUDING SELLING TO THE

EUROPEANS AT DISCOUNTS LARGE ENOUGH TO ALLOW THEM TO RESELL PROFITABLY IN THE US MARKET. THE DELEGATION MADE SOME PROGRESS IN TRYING TO CONVINCE THE NATIVE PRODUCE CORPORATION THAT THESE PRACTICES ARE HARMFUL TO LONG-TERM MARKET DEVELOPMENT.

12. TOYS. MANY OF THE CHINESE TOYS FOR EXPORT ARE OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PEKING 01272 03 OF 03 060110Z

EXCELLENT QUALITY, E.G., STUFFED TOYS AND PLASTIC INFLATABLE TOYS. THE MAIN PROBLEMS ARE THE HIGH US TARIFFS, HIGH CHINESE EXPORT PRICE QUOTATIONS, UNSAFE FEATURES OF SOME OF THE TOYS WHICH FAIL TO COMPLY WITH USG REGULATIONS, AND, IN SOME CASES, STYLING UNSUITED FOR THE US MARKET. SHANGHAI IS THE PRINCIPAL CHINESE TOY MANUFACTURING CENTER, AND BRANCH OFFICIALS OF THE LIGHT INDUSTRY CORPORATION EXPRESSED GENUINE CONCERN OVER THE SAFETY AND STYLING CONSIDERATIONS AND SEEMED KEENLY INTERESTED IN DEVELOPING THE US MARKET. OFFICIALS IN BOTH PEKING AND SHANGHAI WERE GIVEN COPIES OF THE NATIONAL BUREAU OF STANDARDS' TOY SAFETY HANDBOOK (ANSI/VPS PS 72-76). HOWEVER THE MARKET FOR CHINESE TOYS IN THE US WILL BE LIMITED UNTIL MFN TARIFF TREATMENT IS EXTENDED.

13. SHOES. ON PAPER, THE POTENTIAL LOOKS GOOD. THE CHINESE HAVE THE CAPABILITY OF PRODUCING A HIGH QUALITY, COMPETITIVELY PRICED PRODUCT, PROVIDED THE AMERICAN IMPORTER PROVIDES LASTS AND OTHER EQUIPMENT, AND PROVIDED THE CHINESE WORK CLOSELY WITH THE IMPORTER ON STYLING. HOWEVER, US IMPORTERS WHO HAVE TRIED TO DEVELOP A MARKET HAVE GENERALLY ENDLESS PROBLEMS OVER LATE DELIVERY, FAILURE TO MEET SPECIFICATIONS, ETC. (IN SHANGHAI FRIENDSHIP STORE, WE SAW SHOES ON SALE WHICH HAD A US LABEL ON THE INSIDE -- APPARENTLY MANUFACTURED BUT FOR SOME REASON NOT DELIVERED TO THE IMPORTER.) THE SHOE EXPERT ON THE DELEGATION WAS GENERALLY DISCOURAGED BY THE RESULTS OF THE VISIT IN HIS FIELD. HOWEVER, IN SHANGHAI, JUST BEFORE LEAVING CHINA, HE MANAGED TO ARRANGE WITH THE LIGHT INDUSTRY LOCAL BRANCH FOR TWO OF HIS ASSOCIATES TO COME TO SHANGHAI TO DISCUSS FUTURE PROSPECTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PEKING 01272 03 OF 03 060110Z

14. DINNERWARE (INCLUDING PORCELAIN, STONEWARE, AND EARTHENWARE). PRINCIPAL PROBLEM IS THAT CHINESE STYLING

AND DESIGN (BOTH PATTERNS AND SHAPES) ARE UNSUITABLE FOR US MARKET. THE DELEGATION'S EXPORT, WHO MANUFACTURES A HIGH-QUALITY LINE IN JAPAN BASED ON US DESIGNS AND SPECIFICATIONS, FELT THE CHINESE QUALITY WAS OUTSTANDING -- PARTICULARLY THE HAND PAINTING -- AND THAT AN IMPORTANT PART OF THE HIGH-PRICED SEGMENT OF THE AMERICAN MARKET COULD BE DEVELOPED IF THE CHINESE WERE WILLING TO AGREE TO A CLOSE COOPERATIVE ARRANGEMENT BETWEEN SPECIFIC FACTORIES AND AMERICAN IMPORTERS. SUCH AN ARRANGEMENT IS ESSENTIAL, IN HIS OPINION, IN ORDER TO MEET THE EXACTING US DESIGN STANDARDS, AND TO RESPOND FLEXIBLY TO THE FREQUENT STYLING CHANGES NEEDED IN THE US MARKET. ALTHOUGH HIGH TARIFFS ARE A PROBLEM, THE EXPERT THOUGHT THAT FOR THE HIGH QUALITY, EXPENSIVE PRODUCT HE ENVISIONED FOR THE US MARKET, THE CHINESE COULD BE COMPETITIVE EVEN WITHOUT MFN. THE LIGHT INDUSTRY CORPORATION OFFICIALS LISTENED CAREFULLY TO THIS PRESENTATION, BUT WERE COMPLETELY NONCOMMITAL. THE EXPERT ALSO HAD DIFFICULTY IN ARRANGING A VISIT TO A PORCELAIN FACTORY, BUT HE WAS FINALLY TAKEN TO THE FREQUENTLY VISITED POTTER FACTORY IN FOSHAN, OUTSIDE CANTON.

15. PERSONAL ACCESSORIES. RATHER DESULTORY DISCUSSIONS WERE HELD ON HANDBAGS, LUGGAGE, BELTS, ETC. ONE OF THE DELEGATION MEMBERS INVESTIGATED THE POSSIBILITY OF BUYING HIGH QUALITY, WELL-DESIGNED, AND RELATIVELY INEXPENSIVE CHINESE SILK NECKTIES AND SCARVES. A SAMPLE PURCHASE WAS MADE, AND PROSPECTS APPEARED EXCELLENT. WOODCOCK

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL DEVELOPMENT, TRADE PROMOTION, MEETING PROCEEDINGS, HANDICRAFT INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 05 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PEKING01272
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780193-0189
Format: TEL
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780589/aaaacxom.tel
Line Count: 414
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8e773aa3-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 PEKING 964
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2777647
Secure: OPEN
Status: NATIVE
Subject: NCUSCT LIGHT INDUSTRIAL HANDICRAFTS DELEGATION: CONCLUSIONS
TAGS: ETRD, CH, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8e773aa3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014